

CIRCUIT BREAKER PROPERTY TAX DEFERMENT

This program allows taxes billed each year to be limited to a percentage of the qualifying owner's income. However, taxes in excess of the limitation are deferred and remain a lien on the property. The three most current years of deferred taxes prior to a disqualifying event will become due and payable, with interest, on the date of the disqualifying event.

Who is Eligible?

- A permanent resident of Iredell County, age 65 or older, with an income not exceeding \$40,650, **and** who has owned and occupied their residence for at least the last five calendar years prior to January 1 of the year for which this Application is made.

Or

- A permanent resident of Iredell County, totally and permanently disabled with an income not exceeding \$40,650 **and**, who has owned and occupied their permanent residence for at least the last five calendar years prior to January 1 of the year for which this Application is made.

How To Apply

- Applications should be filed during the regular listing period, January 1 through February 1, but may be timely filed through June 1.
- Applications received after June 1 are considered untimely.

How the Circuit Breaker affects the property tax bill.

For an owner whose income amount for the calendar year 2009, does not exceed the income eligibility limit for the current tax year (for 2009; \$27,100), the owner's property tax bill will be limited to four percent (4%) of the owner's income.

For an owner whose income amount for the calendar year 2009, exceeds the income eligibility limit of \$27,100 but does not exceed 150% of the income eligibility limit, (for 2009; \$40,650), the owner's property tax bill will be limited to five percent (5%) of the owner's income.

- Circuit Breaker Property Tax Deferment limits taxes assessed to the permanent residence only.
- All owners must qualify and elect to defer taxes under this program.
- If your total income from all sources exceeds \$40,650, you are not eligible for this program.
- Deferred taxes are a lien on your property.

Definitions

When used with this program the following definitions apply.

- **Income, Permanent Residence, and Temporary Absence:** Same the Elderly or Disabled Exclusion definitions.
- **Income Eligibility Limit:** The amount for the preceding year, adjusted by the same percentage of the amount as the percentage of any cost-of-living made to the benefits under Titles II and XVI of the Social Security Act for the preceding calendar year, rounded to the nearest one hundred dollars (\$100.00). The Department of Revenue must determine the amount and notify the assessors across the State.
- **Deferred Taxes:** The difference between the taxes due and taxes that would have been due. Upon disqualification the three most current years of deferred taxes become due and payable with interest.
- **Multiple Ownership:** A permanent residence owned and occupied by two or more persons other than husband and wife.